

AMENDED IN SENATE MAY 11, 2006

AMENDED IN SENATE JULY 14, 2005

AMENDED IN SENATE JUNE 15, 2005

AMENDED IN ASSEMBLY MAY 26, 2005

AMENDED IN ASSEMBLY MARCH 29, 2005

CALIFORNIA LEGISLATURE—2005–06 REGULAR SESSION

ASSEMBLY BILL

No. 473

Introduced by Assembly Member Liu

February 16, 2005

An act to amend Sections ~~76300~~ 76140, 76300, and 76370 of the Education Code, relating to community colleges.

LEGISLATIVE COUNSEL'S DIGEST

AB 473, as amended, Liu. Community colleges: student fees.

(1) Existing law establishes the California Community Colleges under the administration of the Board of Governors of the California Community Colleges. Existing law also authorizes the establishment of community college districts, and further authorizes the operation, by these districts, of community college campuses that offer instructional services throughout the state. ~~Existing law~~ *Existing law authorizes community college districts to admit nonresident students, and requires community college districts to charge a tuition fee to nonresident students, with specified exceptions. Existing law exempts, from the requirement to pay a nonresident tuition fee in the 2005–06 academic year, students who, as of August 29, 2005, were enrolled, or admitted with an intention to enroll, in the fall term of the 2005–06*

academic year, in a regionally accredited institution of higher education in Alabama, Louisiana, or Mississippi, and who could not continue their attendance at that institution as a direct consequence of damage sustained by that institution as a result of Hurricane Katrina.

This bill would extend this exemption from the requirement to pay a nonresident tuition fee to the 2006–07 fiscal year, and would provide that the exemption could be applied retroactively to academic terms commencing on or after July 1, 2006. Because this provision would require community college districts to alter their procedures with respect to the determination of students' eligibility for exemptions from nonresident tuition, the bill would impose a state-mandated local program.

(2) Existing law requires the governing board of each community college district to charge each student a fee of \$26 per unit per semester, effective with the fall term of the 2004–05 academic year.

This bill would provide that the \$26 per unit per semester student fee would continue in the 2005–06 academic year.

The

This bill would require the board of governors to develop a rational and transparent—methodology student affordability policy for recommending adjustments in student financial aid levels and mandatory systemwide resident student fees that are consistent with prescribed student fee principles.

The bill would require the Chancellor of the California Community Colleges to provide the Legislature with an annual student affordability report on or about January 1 of each year. The bill would require this report to include data on the numbers of community college students who fall into specified categories with respect to student financial aid. The bill would also require that the report include an estimate of the average systemwide cost of attendance and details relating to the underlying cost components. The bill would require the Legislative Analyst's Office to annually review this report, and to share its relevant findings with the appropriate policy and fiscal committees of the houses of the Legislature during the annual Budget process.

(2)

(3) Existing law authorizes community college districts to charge persons a fee to audit a community college course. Existing law requires that an auditing fee may not exceed \$15 per unit per semester.

This bill would instead require that an auditing fee not exceed 150% of the per unit student fee charged students who enroll in the course for credit.

(4) The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that, if the Commission on State Mandates determines that the bill contains costs mandated by the state, reimbursement for those costs shall be made pursuant to these statutory provisions.

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: ~~no~~-yes.

The people of the State of California do enact as follows:

1 ~~SECTION 1. Section 76300 of the Education Code is~~
2 ~~amended to read:~~
3 ~~76300. (a) (1) The governing board of each community~~
4 ~~college district shall charge each student a fee pursuant to this~~
5 ~~section.~~
6 ~~(2) The fee prescribed by this section shall be eighteen dollars~~
7 ~~(\$18) per unit per semester, effective with the fall term of the~~
8 ~~2003-04 academic year.~~
9 ~~(3) Notwithstanding paragraph (2), the fee prescribed by this~~
10 ~~section shall be twenty-six dollars (\$26) per unit per semester,~~
11 ~~effective with the fall term of the 2004-05 academic year, and~~
12 ~~continuing in the 2005-06 academic year.~~
13 ~~(4) The chancellor shall proportionately adjust the amount of~~
14 ~~the fee for term lengths based upon a quarter system, and also~~
15 ~~shall proportionately adjust the amount of the fee for summer~~
16 ~~sessions, intersessions, and other short-term courses. In making~~
17 ~~these adjustments, the chancellor may round the per unit fee and~~
18 ~~the per term or per session fee to the nearest dollar.~~
19 ~~(b) (1) The board of governors shall develop a rational and~~
20 ~~transparent methodology for recommending adjustments in~~
21 ~~mandatory systemwide resident student fees that are consistent~~
22 ~~with the student fee principles set forth in paragraphs (2) and (3).~~
23 ~~These methodologies shall be developed in consultation with~~
24 ~~appropriate student representatives through student fee advisory~~

~~committees and, once developed, shall be formally adopted by the board of governors in open public meetings.~~

~~(2) It is the intent of the Legislature that all of the following occur:~~

~~(A) The State of California should maintain its primary responsibility to fund the predominant share of the cost of public community college education in California.~~

~~(B) So that students and their families can better prepare financially for college expenses, any changes in resident student fees should be gradual, moderate, and predictable.~~

~~(C) Community college student fees should not be increased by more than 10 percent in any academic year.~~

~~(D) Annually, except in fiscal emergencies, the student fee amount should be adjusted by the annual changes in statewide per capita personal income as compiled by the Department of Finance.~~

~~(E) Students attending the campuses of the California Community Colleges should pay student fees that do not exceed 20 percent of the overall cost of education at the community college.~~

~~(e) For the purposes of computing apportionments to community college districts pursuant to Section 84750, the chancellor shall subtract, from the total revenue owed to each district, 98 percent of the revenues received by districts from charging a fee pursuant to this section.~~

~~(d) The chancellor shall reduce apportionments by up to 10 percent to any district that does not collect the fees prescribed by this section.~~

~~(e) The fee requirement does not apply to any of the following:~~

~~(1) Students enrolled in the noncredit courses designated by Section 84757.~~

~~(2) California State University or University of California students enrolled in remedial classes provided by a community college district on a campus of the University of California or a campus of the California State University, for whom the district claims an attendance apportionment pursuant to an agreement between the district and the California State University or the University of California.~~

1 ~~(3) Students enrolled in credit contract education courses~~
2 ~~pursuant to Section 78021, if the entire cost of the course,~~
3 ~~including administrative costs, is paid by the public or private~~
4 ~~agency, corporation, or association with which the district is~~
5 ~~contracting and if these students are not included in the~~
6 ~~calculation of the full-time equivalent students (FTES) of that~~
7 ~~district.~~

8 ~~(f) The governing board of a community college district may~~
9 ~~exempt special part-time students admitted pursuant to Section~~
10 ~~76001 from the fee requirement.~~

11 ~~(g) (1) The fee requirements of this section shall be waived~~
12 ~~for any student who, at the time of enrollment, is a recipient of~~
13 ~~benefits under the Temporary Assistance to Needy Families~~
14 ~~program, the Supplemental Security Income/State Supplementary~~
15 ~~Program, or a general assistance program or has demonstrated~~
16 ~~financial need in accordance with the methodology set forth in~~
17 ~~federal law or regulation for determining the expected family~~
18 ~~contribution of students seeking financial aid.~~

19 ~~(2) The governing board of a community college district also~~
20 ~~shall waive the fee requirements of this section for any student~~
21 ~~who demonstrates eligibility according to income standards~~
22 ~~established by the board of governors and contained in Section~~
23 ~~58620 of Title 5 of the California Code of Regulations.~~

24 ~~(h) The fee requirements of this section shall be waived for~~
25 ~~any student who, at the time of enrollment, is a dependent, or~~
26 ~~surviving spouse who has not remarried, of any member of the~~
27 ~~California National Guard who, in the line of duty and while in~~
28 ~~the active service of the state, was killed, died of a disability~~
29 ~~resulting from an event that occurred while in the active service~~
30 ~~of the state, or is permanently disabled as a result of an event that~~
31 ~~occurred while in the active service of the state. "Active service~~
32 ~~of the state," for the purposes of this subdivision, refers to a~~
33 ~~member of the California National Guard activated pursuant to~~
34 ~~Section 146 of the Military and Veterans Code.~~

35 ~~(i) The fee requirements of this section shall be waived for any~~
36 ~~student who is the surviving spouse or the child, natural or~~
37 ~~adopted, of a deceased person who met all of the requirements of~~
38 ~~Section 68120.~~

39 ~~(j) The fee requirements of this section shall be waived for any~~
40 ~~student in an undergraduate program, including a student who~~

1 has previously graduated from another undergraduate or graduate
2 program, who is the dependent of any individual killed in the
3 September 11, 2001, terrorist attacks on the World Trade Center
4 and the Pentagon or the crash of United Airlines Flight 93 in
5 southwestern Pennsylvania, if that dependent meets the financial
6 need requirements set forth in Section 69432.7 for the Cal Grant
7 A Program and either of the following applies:

8 (1) The dependent was a resident of California on September
9 11, 2001.

10 (2) The individual killed in the attacks was a resident of
11 California on September 11, 2001.

12 (k) A determination of whether a person is a resident of
13 California on September 11, 2001, for purposes of subdivision (j)
14 shall be based on the criteria set forth in Chapter 1 (commencing
15 with Section 68000) of Part 41 for determining nonresident and
16 resident tuition.

17 (l) (1) "Dependent," for purposes of subdivision (j), is a
18 person who, because of his or her relationship to an individual
19 killed as a result of injuries sustained during the terrorist attacks
20 of September 11, 2001, qualifies for compensation under the
21 federal September 11th Victim Compensation Fund of 2001
22 (Title IV (commencing with Section 401) of Public Law 107-42).

23 (2) A dependent who is the surviving spouse of an individual
24 killed in the terrorist attacks of September 11, 2001, is entitled to
25 the waivers provided in this section until January 1, 2013.

26 (3) A dependent who is the surviving child, natural or adopted,
27 of an individual killed in the terrorist attacks of September 11,
28 2001, is entitled to the waivers under subdivision (j) until that
29 person attains the age of 30 years.

30 (4) A dependent of an individual killed in the terrorist attacks
31 of September 11, 2001, who is determined to be eligible by the
32 California Victim Compensation and Government Claims Board,
33 is also entitled to the waivers provided in this section until
34 January 1, 2013.

35 (m) (1) It is the intent of the Legislature that sufficient funds
36 be provided to support the provision of a fee waiver for every
37 student who demonstrates eligibility pursuant to subdivisions (g)
38 to (j), inclusive.

39 (2) From funds provided in the annual Budget Act, the board
40 of governors shall allocate to community college districts,

~~pursuant to this subdivision, an amount equal to 2 percent of the fees waived pursuant to subdivisions (g) to (j), inclusive. From funds provided in the annual Budget Act, the board of governors shall allocate to community college districts, pursuant to this subdivision, an amount equal to ninety-one cents (\$0.91) per credit unit waived pursuant to subdivisions (g) to (j), inclusive, for determination of financial need and delivery of student financial aid services, on the basis of the number of students for whom fees are waived. Funds allocated to a community college district for determination of financial need and delivery of student financial aid services shall supplement, and shall not supplant, the level of funds allocated for the administration of student financial aid programs during the 1992-93 fiscal year.~~

~~(n) The board of governors shall adopt regulations implementing this section.~~

SECTION 1. Section 76140 of the Education Code is amended to read:

76140. (a) A community college district may admit and shall charge a tuition fee to nonresident students. The district may exempt from all or parts of the fee any person described in paragraph (1), (2), or (3):

(1) All nonresidents who enroll for six or fewer units. Exemptions made pursuant to this paragraph shall not be made on an individual basis.

(2) Any nonresident who is both a citizen and resident of a foreign country, if the nonresident has demonstrated a financial need for the exemption. Not more than 10 percent of the nonresident foreign students attending any community college district may be so exempted. Exemptions made pursuant to this paragraph may be made on an individual basis.

(3) (A) A student who, as of August 29, 2005, was enrolled, or admitted with an intention to enroll, in the fall term of the 2005-06 academic year in a regionally accredited institution of higher education in Alabama, Louisiana, or Mississippi, and who could not continue his or her attendance at that institution as a direct consequence of damage sustained by that institution as a result of Hurricane Katrina.

(B) The chancellor shall develop guidelines for the implementation of this paragraph. These guidelines shall include

1 standards for appropriate documentation of student eligibility to
2 the extent feasible.

3 (C) This paragraph shall apply only to the 2005–06 *and*
4 *2006–07 academic-year years, and may be applied retroactively*
5 *to academic terms commencing on or after July 1, 2006.*

6 (b) A district may contract with a state, a county contiguous to
7 California, the federal government, or a foreign country, or an
8 agency thereof, for payment of all or a part of a nonresident
9 student's tuition fee.

10 (c) Nonresident students shall not be reported as full-time
11 equivalent students (FTES) for state apportionment purposes,
12 except as provided by subdivision (k) or another statute, in which
13 case a nonresident tuition fee may not be charged.

14 (d) The nonresident tuition fee shall be set by the governing
15 board of each community college district not later than February
16 1 of each year for the succeeding fiscal year. The governing
17 board of each community college district shall provide
18 nonresident students with notice of nonresident tuition fee
19 changes during the spring term before the fall term in which the
20 change will take effect. Nonresident tuition fee increases shall be
21 gradual, moderate, and predictable. The fee may be paid in
22 installments, as determined by the governing board of the district.

23 (e) The fee established by the governing board pursuant to
24 subdivision (d) shall represent for nonresident students enrolled
25 in 30 semester units or 45 quarter units of credit per fiscal year
26 (1) the amount that was expended by the district for the expense
27 of education as defined by the California Community College
28 Budget and Accounting Manual in the preceding fiscal year
29 increased by the projected percent increase in the United States
30 Consumer Price Index as determined by the Department of
31 Finance for the current fiscal year and succeeding fiscal year and
32 divided by the FTES (including nonresident students) attending
33 in the district in the preceding fiscal year, (2) the expense of
34 education in the preceding fiscal year of all districts increased by
35 the projected percent increase in the United States Consumer
36 Price Index as determined by the Department of Finance for the
37 fiscal year and succeeding fiscal year and divided by the FTES
38 (including nonresident students) attending all districts during the
39 preceding fiscal year, (3) an amount not to exceed the fee
40 established by the governing board of any contiguous district, or

(4) an amount not to exceed the amount that was expended by the district for the expense of education, but in no case less than the statewide average as set forth in paragraph (2). However, if for the district's preceding fiscal year FTES of all students attending in the district in noncredit courses is equal to, or greater than, 10 percent of the district's total FTES attending in the district, the district, in calculating the amount in paragraph (1), may substitute, instead, the data for expense of education in grades 13 and 14 and FTES in grades 13 and 14 attending in the district.

(f) The governing board of each community college district also shall adopt a tuition fee per unit of credit for nonresident students enrolled in more or less than 15 units of credit per term by dividing the fee determined in subdivision (e) by 30 for colleges operating on the semester system and 45 for colleges operating on the quarter system and rounding to the nearest whole dollar. The same rate shall be uniformly charged nonresident students attending any terms or sessions maintained by the community college. The rate charged shall be the rate established for the fiscal year in which the term or session ends.

(g) In adopting a tuition fee for nonresident students, the governing board of each community college district shall consider nonresident tuition fees of public community colleges in other states.

(h) Any loss in district revenue generated by the nonresident tuition fee shall not be offset by additional state funding.

(i) Any district that has fewer than 1,500 FTES and whose boundary is within 10 miles of another state that has a reciprocity agreement with California governing student attendance and fees may exempt students from that state from the mandatory fee requirement described in subdivision (a) for nonresident students.

(j) Any district that has more than 1,500, but less than 3,001, FTES and whose boundary is within 10 miles of another state that has a reciprocity agreement with California governing student attendance and fees may, in any one fiscal year, exempt up to 100 FTES from that state from the mandatory fee requirement described in subdivision (a) for nonresident students.

(k) The attendance of nonresident students who are exempted pursuant to subdivision (i) or (j), or pursuant to paragraph (3) of subdivision (a), from the mandatory fee requirement described in subdivision (a) for nonresident students may be reported as

1 resident FTES for state apportionment purposes. Any nonresident
2 student reported as resident FTES for state apportionment
3 purposes pursuant to subdivision (i) or (j) shall pay a fee of
4 forty-two dollars (\$42) per course unit. That fee is to be included
5 in the FTES adjustments described in Section 76330 for purposes
6 of computing apportionments.

7 *SEC. 2. Section 76300 of the Education Code is amended to*
8 *read:*

9 76300. (a) The governing board of each community college
10 district shall charge each student a fee pursuant to this section.

11 (b) (1) The fee prescribed by this section shall be twenty-six
12 dollars (\$26) per unit per semester, effective with the fall term of
13 the 2004–05 academic year.

14 (2) The board of governors shall proportionately adjust the
15 amount of the fee for term lengths based upon a quarter system,
16 and also shall proportionately adjust the amount of the fee for
17 summer sessions, intersessions, and other short-term courses. In
18 making these adjustments, the board of governors may round the
19 per unit fee and the per term or per session fee to the nearest
20 dollar.

21 (3) *The board of governors shall develop a rational and*
22 *transparent student affordability policy for recommending*
23 *adjustments in student financial aid levels and mandatory*
24 *systemwide resident student fees that are consistent with the*
25 *principles set forth in paragraph (4). These methodologies shall*
26 *be developed in consultation with appropriate constituent*
27 *groups, including a student advisory committee, and once*
28 *developed, shall be formally developed by the board of governors*
29 *in open public meetings.*

30 (4) *It is the intent of the Legislature that all of the following*
31 *occur:*

32 (A) *The State of California should maintain its primary*
33 *responsibility to fund the predominant share of the cost of public*
34 *community college education in California.*

35 (B) *So that students and their families can better prepare*
36 *financially for college expenses, any changes in resident student*
37 *fees should be predictable.*

38 (C) *Community college student fees should not be increased at*
39 *a rate that exceeds families' ability to pay, as measured by the*

1 *change in per capita personal income in California during the*
2 *previous 12 months.*

3 *(D) Any increase in student fees should be accompanied by an*
4 *increase in student financial aid to ensure access and*
5 *affordability for financially needy students.*

6 *(E) A decision to increase student fee levels should be made*
7 *and announced at least six months prior to the effective date of*
8 *any fee increase, and should take effect only at the start of a new*
9 *academic term.*

10 (c) For the purposes of computing apportionments to
11 community college districts pursuant to Section 84750, the board
12 of governors shall subtract, from the total revenue owed to each
13 district, 98 percent of the revenues received by districts from
14 charging a fee pursuant to this section.

15 (d) The board of governors shall reduce apportionments by up
16 to 10 percent to any district that does not collect the fees
17 prescribed by this section.

18 (e) The fee requirement does not apply to any of the
19 following:

20 (1) Students enrolled in the noncredit courses designated by
21 Section 84757.

22 (2) California State University or University of California
23 students enrolled in remedial classes provided by a community
24 college district on a campus of the University of California or a
25 campus of the California State University, for whom the district
26 claims an attendance apportionment pursuant to an agreement
27 between the district and the California State University or the
28 University of California.

29 (3) Students enrolled in credit contract education courses
30 pursuant to Section 78021, if the entire cost of the course,
31 including administrative costs, is paid by the public or private
32 agency, corporation, or association with which the district is
33 contracting and if these students are not included in the
34 calculation of the full-time equivalent students (FTES) of that
35 district.

36 (f) The governing board of a community college district may
37 exempt special part-time students admitted pursuant to Section
38 76001 from the fee requirement.

39 (g) (1) The fee requirements of this section shall be waived
40 for any student who, at the time of enrollment, is a recipient of

1 benefits under the Temporary Assistance to Needy Families
2 program, the Supplemental Security Income/State Supplementary
3 Program, or a general assistance program or has demonstrated
4 financial need in accordance with the methodology set forth in
5 federal law or regulation for determining the expected family
6 contribution of students seeking financial aid.

7 (2) The governing board of a community college district also
8 shall waive the fee requirements of this section for any student
9 who demonstrates eligibility according to income standards
10 established by regulations of the board of governors.

11 (3) Paragraphs (1) and (2) may be applied to a student enrolled
12 in the 2005–06 academic year if the student is exempted from
13 nonresident tuition under paragraph (3) of subdivision (a) of
14 Section 76140.

15 (h) The fee requirements of this section shall be waived for
16 any student who, at the time of enrollment, is a dependent, or
17 surviving spouse who has not remarried, of any member of the
18 California National Guard who, in the line of duty and while in
19 the active service of the state, was killed, died of a disability
20 resulting from an event that occurred while in the active service
21 of the state, or is permanently disabled as a result of an event that
22 occurred while in the active service of the state. “Active service
23 of the state,” for the purposes of this subdivision, refers to a
24 member of the California National Guard activated pursuant to
25 Section 146 of the Military and Veterans Code.

26 (i) The fee requirements of this section shall be waived for any
27 student who is the surviving spouse or the child, natural or
28 adopted, of a deceased person who met all of the requirements of
29 Section 68120.

30 (j) The fee requirements of this section shall be waived for any
31 student in an undergraduate program, including a student who
32 has previously graduated from another undergraduate or graduate
33 program, who is the dependent of any individual killed in the
34 September 11, 2001, terrorist attacks on the World Trade Center
35 and the Pentagon or the crash of United Airlines Flight 93 in
36 southwestern Pennsylvania, if that dependent meets the financial
37 need requirements set forth in Section 69432.7 for the Cal Grant
38 A Program and either of the following applies:

39 (1) The dependent was a resident of California on September
40 11, 2001.

1 (2) The individual killed in the attacks was a resident of
2 California on September 11, 2001.

3 (k) A determination of whether a person is a resident of
4 California on September 11, 2001, for purposes of subdivision (j)
5 shall be based on the criteria set forth in Chapter 1 (commencing
6 with Section 68000) of Part 41 for determining nonresident and
7 resident tuition.

8 (l) (1) "Dependent," for purposes of subdivision (j), is a
9 person who, because of his or her relationship to an individual
10 killed as a result of injuries sustained during the terrorist attacks
11 of September 11, 2001, qualifies for compensation under the
12 federal September 11th Victim Compensation Fund of 2001
13 (Title IV (commencing with Section 401) of Public Law 107-42).

14 (2) A dependent who is the surviving spouse of an individual
15 killed in the terrorist attacks of September 11, 2001, is entitled to
16 the waivers provided in this section until January 1, 2013.

17 (3) A dependent who is the surviving child, natural or adopted,
18 of an individual killed in the terrorist attacks of September 11,
19 2001, is entitled to the waivers under subdivision (j) until that
20 person attains the age of 30 years.

21 (4) A dependent of an individual killed in the terrorist attacks
22 of September 11, 2001, who is determined to be eligible by the
23 California Victim Compensation and Government Claims Board,
24 is also entitled to the waivers provided in this section until
25 January 1, 2013.

26 (m) (1) It is the intent of the Legislature that sufficient funds
27 be provided to support the provision of a fee waiver for every
28 student who demonstrates eligibility pursuant to subdivisions (g)
29 to (j), inclusive.

30 (2) From funds provided in the annual Budget Act, the board
31 of governors shall allocate to community college districts,
32 pursuant to this subdivision, an amount equal to 2 percent of the
33 fees waived pursuant to subdivisions (g) to (j), inclusive. From
34 funds provided in the annual Budget Act, the board of governors
35 shall allocate to community college districts, pursuant to this
36 subdivision, an amount equal to ninety-one cents (\$0.91) per
37 credit unit waived pursuant to subdivisions (g) to (j), inclusive,
38 for determination of financial need and delivery of student
39 financial aid services, on the basis of the number of students for
40 whom fees are waived. Funds allocated to a community college

1 district for determination of financial need and delivery of
2 student financial aid services shall supplement, and shall not
3 supplant, the level of funds allocated for the administration of
4 student financial aid programs during the 1992–93 fiscal year.

5 ~~(n)–~~

6 *(n) (1) The chancellor shall provide the Legislature with an*
7 *annual student affordability report on or about January 1 of each*
8 *year. The report shall include data on the number of community*
9 *college students who fall into the following categories:*

10 *(A) Financially needy.*

11 *(B) Receiving some form of gift aid, including, but not*
12 *necessarily limited to, aid from a scholarship or grant.*

13 *(C) Participating in a subsidized work-study program.*

14 *(D) Receiving some form of borrowed aid, including, but not*
15 *necessarily limited to, a federal Stafford loan, a loan from a*
16 *parent or other family member, or a loan from a financial*
17 *institution or other private entity.*

18 *(2) The student affordability report prepared under this*
19 *section shall include an estimate of the average systemwide cost*
20 *of attendance and details relating to the underlying cost*
21 *components.*

22 *(3) The Legislative Analyst's Office shall annually review this*
23 *report, and share its relevant findings with the appropriate*
24 *policy and fiscal committees of the houses of the Legislature*
25 *during the annual Budget process.*

26 *(o) The board of governors shall adopt regulations*
27 *implementing this section.*

28 ~~SEC. 2.~~

29 *SEC. 3.* Section 76370 of the Education Code is amended to
30 read:

31 76370. The governing board of a community college district
32 may authorize a person to audit a community college course, and
33 may charge that person a fee pursuant to this section.

34 (a) (1) If a fee for auditing is charged, it shall not exceed 150
35 percent of the per unit student fee charged students enrolling in
36 the course for credit.

37 (2) The governing board shall proportionately adjust the
38 amount of the fee for term lengths based upon a quarter system
39 or other alternative system approved pursuant to regulations of
40 the board of governors, and shall also proportionately adjust the

1 amount of the fee for summer sessions, intersessions, and other
2 short-term courses. In making these adjustments, the governing
3 board may round the per unit fee and the per term or per session
4 fee to the nearest dollar.

5 (b) Students enrolled in classes to receive credit for 10 or more
6 semester credit units shall not be charged a fee to audit three or
7 fewer semester units per semester.

8 (c) No student auditing a course shall be permitted to change
9 his or her enrollment in that course to receive credit for the
10 course.

11 (d) Priority in class enrollment shall be given to students
12 desiring to take the course for credit towards a degree or
13 certificate.

14 (e) Classroom attendance of students auditing a course shall
15 not be included in computing the apportionment due a
16 community college district.

17 *SEC. 4. If the Commission on State Mandates determines that*
18 *this act contains costs mandated by the state, reimbursement to*
19 *local agencies and school districts for those costs shall be made*
20 *pursuant to Part 7 (commencing with Section 17500) of Division*
21 *4 of Title 2 of the Government Code.*